

1 or nationals of the United States. The Secretary may program funds (including funds for  
2 construction) for the education of such children."

3 **TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL**

4 **SEC. 1101. SCIENCE, MATHEMATICS, AND RESEARCH FOR TRANSFORMATION**  
5 **(SMART) DEFENSE EDUCATION PROGRAM.**

6 Section 1105 of the Ronald W. Reagan National Defense Authorization Act for Fiscal  
7 Year 2005 (Public Law 108-375; 118 Stat. 1811), is amended to read as follows:

8 **"§ 1105. Science, Mathematics, and Research for Transformation (SMART) Defense**  
9 **Education Program - National Defense Education Act (NDEA), Phase I**

10 "(a) REQUIREMENT FOR PROGRAM.—(1) Notwithstanding the provisions of Chapter 41 of  
11 title 5 United States Code, the Secretary of Defense may carry out a program to provide financial  
12 assistance for education in science, mathematics, engineering, technology, and foreign languages  
13 critical to the national security functions of the Department of Defense and needed in the  
14 Department of Defense workforce.

15 "(2) The goal of this program is to increase the development, recruitment, and retention of  
16 individuals with knowledge, skills and abilities in science, mathematics, engineering, and foreign  
17 languages critical to the mission of the Department of Defense.

18 "(b) SCHOLARSHIPS AND FELLOWSHIPS.—(1) The Secretary of Defense may award a  
19 scholarship or fellowship in accordance with this section to a person who—

20 "(A) is a citizen of the United States;

21 "(B) is pursuing an associates, undergraduate, or advanced degree in a critical skill  
22 or discipline described in subsection (a) at an accredited institution of higher education;

1 and

2 "(C) enters into a service agreement with the Secretary of Defense as described in  
3 subsection (e).

4 "(2) The amount of the financial assistance provided under a scholarship or fellowship  
5 awarded under this section:

6 "(A) may be paid directly to the recipient of such scholarship or fellowship or to  
7 an administering entity that shall disburse such funds;

8 "(B) shall be the amount necessary, as determined by the Secretary of Defense, to  
9 pay all or part of the expenses associated with education and program participation  
10 including, but not limited to, tuition, fees, cost of books, laboratory expenses, equipment,  
11 research support, tutors, travel, stipends, room and board, educational enhancement  
12 activities such as internships, conferences, meetings, training, and other activities and  
13 endeavors that reinforce the education of the participant and prepare him or her to excel  
14 when they begin fulfilling the service agreement under section (e).

15 "(c) RELATIONSHIP TO OTHER LAW.—The Secretary of Defense may use the authorities  
16 set forth in section 2192 of title 10, United States Code, in furtherance of the program described  
17 in subsection (a) of this section.

18 "(d) EMPLOYMENT OPTION.—The Secretary of Defense may—

19 "(1) retain an employee, in an over-strength position—

20 "(A) during pursuit of his or her degree, and

21 "(B) for a period not to exceed two years after completion of the degree,  
22 provided—

1                               "(i) there is no readily available appropriate position for the  
2                               employee and

3                               "(ii) there is an active and ongoing effort to identify and assign the  
4                               employee to an appropriate position as soon as practicable.

5                               "(2) if there is no appropriate position available after two years, separate an  
6                               employee described under this subsection without regard to any other provisions of law.

7                               "(3) require an employee appointed under this subsection to complete any  
8                               remaining period of obligated service under subsection (d) upon assignment to an  
9                               available appropriate position.

10                              "(4) apply subsections (1) through (3) of this section to the initial appointment to  
11                              an appropriate position of any person who has—

12                              "(A) received financial assistance under this program, or

13                              "(B) completed his or her degree.

14                              "(e) SERVICE AGREEMENT FOR RECIPIENTS OF ASSISTANCE.—(1) To receive financial  
15                              assistance under this section—

16                              "(A) in the case of an employee of the Department of Defense, the employee shall  
17                              be required to enter into a written agreement to continue in the employment of the  
18                              department for the period of obligated service determined under paragraph (2) of this  
19                              subsection; and

20                              "(B) in the case of a person not an employee of the Department of Defense, the  
21                              person shall be required to enter into a written agreement to accept employment in the  
22                              Department of Defense for the period of obligated service determined under paragraph (2)

1 of this subsection.

2 "(2) For the purposes of this section, the period of obligated service for a recipient of a  
3 scholarship or fellowship shall be determined by the Secretary of Defense. Generally, the period  
4 of obligated service may not be less than the total period for which the recipient was provided  
5 financial assistance. The period of obligated service is in addition to any other period for which  
6 the recipient is obligated to serve in the civil service of the United States.

7 "(3) An agreement entered into under this subsection shall include any terms and  
8 conditions that the Secretary of Defense determines necessary to protect the interests of the  
9 United States or otherwise appropriate for carrying out this section.

10 "(f) REFUND FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—(1) A person who is not  
11 an employee under this program, but who receives financial assistance under this section and  
12 who voluntarily fails to complete the educational program for which financial assistance has been  
13 provided, or fails to maintain satisfactory academic progress as determined in accordance with  
14 regulations issued by the Secretary, shall refund to the United States an appropriate amount, as  
15 determined by the Secretary;

16 "(2) A person who is an employee under this program who—

17 "(A) voluntarily fails to complete the educational program for which  
18 financial assistance has been provided, or fails to maintain satisfactory academic  
19 progress as determined in accordance with regulations issued by the Secretary; or

20 "(B) before completion of the period of obligated service required—

21 "(i) voluntarily terminates his or her employment, or

22 "(ii) is removed from his or her employment on the basis of

misconduct, shall refund to the United States an appropriate amount, as determined by the Secretary of Defense.

"(3) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(4) The Secretary of Defense may waive, in whole or in part, a refund required under paragraph (1) of this subsection if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(5) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under this subsection.

"(g) CRITICAL HIRING NEED.—Section 3304(a)(3) of title 5, United States Code, is amended by striking subparagraph (B) and inserting the following new subparagraph:

"(B)(i) the Office of Personnel Management has determined that there exists a severe shortage of candidates or there is a critical hiring need; or

"(ii) the candidate is a participant in the Science, Mathematics, and Research for Transformation (SMART) Defense Scholarship Pilot Program under section 1105 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 2074); or

"(iii) the candidate is a participant in the Science, Mathematics, and Research for Transformation (SMART) Defense Education Program - National Defense Education Act (NDEA), Phase 1 for Fiscal Year 2006.

"(h) RELATIONSHIP TO OTHER PROGRAMS.—The program under this section is in addition

1 to the authorities provided in chapter 111 of title 10, United States Code. The Secretary of  
2 Defense shall coordinate the provision of financial assistance under the authority of this section  
3 with the provision of financial assistance under the authorities provided in such chapter in order  
4 to maximize the benefits derived by the Department of Defense from the exercise of all such  
5 authorities.

6 "(i) AUTHORITY TO PROVIDE ADVANCE PAYMENTS.—Notwithstanding subsections (a)  
7 and (b) of section 3324 of title 31, United States Code, and without fiscal year limitation, the  
8 Secretary may provide advance payments for allowable and approved expenses incurred under  
9 this section.

10 "(j) RECEIPT OR SALE OF PROPERTY FOR PROGRAM.—In order to conduct the program  
11 under this section, the Secretary may—

12 "(1) receive money and other property donated, bequeathed, or devised, without  
13 condition or restriction other than that it be used for the purpose of conducting the  
14 program authorized under this section; and

15 "(2) may use, sell, or otherwise dispose of such property for that purpose.

16 "(k) REGULATIONS.—The Secretary of Defense may issue such regulations as may be  
17 necessary to implement this section.

18 "(l) DEFINITIONS.—For the purposes of this section:

19 "(1) The term 'institution of higher education' has the meaning given such term in  
20 section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

21 "(2) The term 'scholarship' means a financial award to a student pursuing an  
22 Associates or Bachelors degree.

1           "(3) The term 'fellowship' means a financial award to a student pursuing a Masters  
2 or Doctoral degree.

3           "(4) The term 'appropriate position' means a position in which a program  
4 participant utilizes his or her education, knowledge, skills, and abilities in a discipline or  
5 disciplines critical to the mission of DoD and for which the program participant is  
6 receiving or has received financial assistance."

7   **SEC. 1102. INCREASED ENROLLMENT FOR CERTAIN DEFENSE INDUSTRY**  
8           **CIVILIANS IN THE DEFENSE PRODUCT DEVELOPMENT PROGRAM.**

9           Section 7049(a) of title 10, United States Code, is amended—

10           (1) by inserting "and systems engineering" after "curriculum related to defense  
11 product development"; and

12           (2) by striking "10" and inserting "25".

13   **SEC. 1103. CIVIL SERVICE RETIREMENT SYSTEM COMPUTATION FOR**  
14           **PART-TIME SERVICE.**

15           (a) IN GENERAL.—Section 8339(p) of title 5, United States Code, is amended by adding at  
16 the end the following new paragraph:

17           "(3) In the administration of paragraph (1)—

18           "(A) subparagraph (A) of such paragraph shall apply to any service performed  
19 before, on, or after April 7, 1986;

20           "(B) subparagraph (B) of such paragraph shall apply to all service performed on a  
21 part-time or full-time basis on or after April 7, 1986; and

22           "(C) any service performed on a part-time basis before April 7, 1986, shall be